Lending targets of public sector banks

3136. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) the names of the public sector banks that have not fulfilled the stipulated target of lending 19 per cent of NBC to agriculture despite having wide network of branches in rural areas;

(b) the steps taken by Government to ensure that banks achieve the stipulated target within a specified period;

(c) whether the RBI has imposed any monetary penalties on any bank for not adhering to achieve the target within the stipulated time; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The names of public sector banks which had not fulfilled the stipulated target of lending 18 per cent of Net Bank Credit (NBC) to agriculture as on the last reporting Friday of September, 2001 are as under:

Name of the Bank	% of total Agri. to NBC (Target - 18%)
1	2
State Bank of India	15.56
State Bank of Bikaner & Jaipur	15.93
State Bank of Mysore	16.91
Allahabad Bank	15.79
Andhra Bank	14.78
Bank of Baroda	15.57
Bank of India	13.82
Bank of Maharashtra	13.57
Canara Bank	16.37
Central Bank of India	11.71
Corporation Bank	11.36
Dena Bank	12.71

1	2
Indian Overseas Bank	17.80
Oriental Bank of Commerce	12.51
Punjab National Bank	15.27
Punjab & Sind Bank	14.51
Syndicate Bank	16.30
Union Bank of India	13.43
United Bank of India	13.77
UCO Bank	10.71
Vijaya Bank	14.24

(Data Provisional)

(b) to (d) Reserve Bank of India (RBI) has imposed a time period of two years for achieving the target and public sector banks are expected to achieve the target by March, 2003.

Public sector banks which have not achieved the target for lending to priority sector/agriculture as on the last reporting Friday of March, 2001 were allocated amounts for deposit in Rural Infrastructure Development Fund (RIDF)-VII with NABARD. The deposits are for a period of seven years from the date of deposit. As a measure of penalty, interest rates on deposits in RIDF-VII have been inversely linked to the banks' shortfall in fulfilling the agricultural lending target of 18 per cent of NBC, as under:

Shortfall in lending to agriculture in terms of percentage to Net Bank Credit (i.e. Target minus Achievements)	Rate of Interest on the entire deposits to be made in RIDF-VII (per cent per annum)
Less than 2%age points	10.00
2% to 4.99%age points	9.00
5% to 8.99%age points	8.00
9%age points and above	7.00